

What is **CREDIT** and why is it so **IMPORTANT**



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WHAT IS CREDIT AND WHY IS IT SO IMPORTANT?

CREDIT is your reputation as a borrower. It tells others how likely you are to repay your loans. Your credit rating is based upon information about your borrowing and payment history.

YOUR CREDIT IS CHECKED WHEN YOU ATTEMPT TO:

- ★ buy a home
- ★ get a car or student loan
- ★ apply for a credit card
- ★ rent an apartment
- ★ apply for a job

A poor credit rating can result in your *inability* to do any of these things!

DID YOU KNOW that there are companies that keep track of whether you pay your bills and make payments on time? These companies then make this information available in the form of a credit report and credit score. Good credit means that you have a good history of making payments on time. Bad credit means that you have a poor history of repaying your loans.

It is important to remember that decisions you make today about how you borrow money, pay your bills and manage your finances will affect you in the future.

A bad credit history can haunt you for a very long time... seven years or more. That is why it is so important to maintain good credit.

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CREDIT is a double-edged sword. We all use it, but it is also easy to abuse it. It can also get out of hand very easily.

BEWARE OF CREDIT REPAIR SCAMS!



We've all seen, heard or read advertisements on TV, radio and in newspapers where credit repair companies promise to erase or fix bad credit. Be careful as these may be scams that are trying to take advantage of you.

**CREDIT REPAIR COMPANIES
ARE PROHIBITED FROM MAKING
DECEPTIVE CLAIMS
ABOUT THEIR SERVICES.**



Some companies go so far as to promise to get you a new credit identification.

CREDIT REPAIR COMPANIES OFTEN MISLEAD CONSUMERS BY PROMISING TO:

- ★ Hide your bad credit information
- ★ Give you a new credit identity
- ★ Offer to create a new credit file for you with a fake Social Security number.



THIS IS FRAUD AND IT IS A CRIME!

NO ONE CAN LEGALLY REMOVE ACCURATE AND TIMELY NEGATIVE INFORMATION FROM A CREDIT REPORT.

Accurate negative credit information cannot be erased. If you have a poor credit history, the only thing that will improve your credit report is the passage of time and the timely repayment of debt.

EVERYTHING THAT A CREDIT REPAIR COMPANY CAN DO FOR YOU LEGALLY, YOU CAN DO FOR YOURSELF AT LITTLE OR NO COST.

While you can't remove negative information from your credit report, the law does allow you to request an investigation of any information you dispute as inaccurate or incomplete.

DID YOU KNOW THAT when a business reports a credit item to a consumer reporting company about your account, it must also include a notice of your dispute?

A credit reporting company must investigate all claims that it receives in writing within 30 days, unless the company considers your dispute frivolous, and then it must inform you of its findings within 10 days of concluding its investigation.

For further details of how to dispute credit report errors go to: **www.ftc.gov/credit**.



DID YOU KNOW THAT a credit repair company cannot take money from you before services have been completed?



Toll-Free in N.J. 888-656-6225

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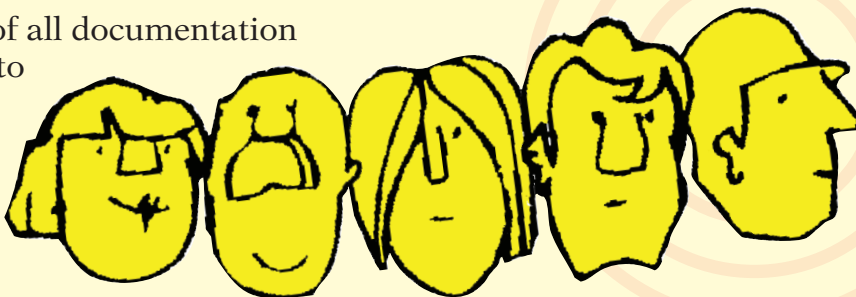
YOU CAN REBUILD YOUR OWN CREDIT RECORD. Notify the consumer credit reporting company, in writing, of the information you believe is inaccurate or incomplete in your credit report.

Be sure to include your name and address and explain in detail why you dispute the information and request that it be removed or corrected.

Attach copies (not originals) of any documents that support your claim.

Send your letter by certified mail return receipt requested so that you have proof of receipt by the credit reporting company and also send a copy to the creditor or provider of the information.

Keep copies of all documentation that you send to the credit reporting companies.



Credit Counseling Services

If you realize that you cannot make scheduled payments to a creditor, you should contact the creditor to see whether you can work out a repayment plan. If this doesn't work, you may want to consider contacting a credit counseling service for advice on managing your money and debts and to help you develop a payment plan and a budget. Once you have identified potential credit counseling agencies, check with the New Jersey Division of Consumer Affairs to see whether any consumer complaints have been filed against them. Please note that the absence of complaints does not guarantee that the company is legitimate. The next step is to interview the agencies and find out more information. For a list of specific questions to ask, please visit: www.NJConsumerAffairs.gov.

CONDUCT REGULAR MAINTENANCE

Make sure to review your credit report on a regular basis and correct mistakes immediately. Under the New Jersey Fair Credit Reporting Act, and also Federal Law, consumers are entitled to a free credit report annually.

Toll-Free in N.J. 888-656-6225

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WHERE CAN I FIND INFORMATION ABOUT CREDIT & CREDIT REPAIR?

Contact the **New Jersey
Division of Consumer Affairs** at:

www.NJConsumerAffairs.gov

or call:

888-656-6225 (toll-free in NJ)
973-424-8150

or write:

Division of Consumer Affairs
Consumer Service Center
P. O. Box 45025
Newark, NJ 07101

You can also contact the
Federal Trade Commission at:
www.ftc.gov/moneymatters

*You can obtain free copies of your
credit report from the three national
credit bureaus once every 12 months by
making a single request to:*

www.annualcreditreport.com
Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348 5281
877-322-8228



STATE OF NEW JERSEY
OFFICE OF THE ATTORNEY GENERAL
DIVISION OF CONSUMER AFFAIRS